Welfare Reform: Ohio's Response

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In 1996, President Clinton signed into law a sweeping reform of the welfare system. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 made a number of important changes in eligibility for federal benefits. At the same time, states experimented with new criteria for benefits and new methods of service delivery. These federal and state changes were designed to break the cycle of welfare from becoming a way of life. This Article examines both federal as well as the state of Ohio's attempts at welfare reform, with an emphasis on their effect on the neediest citizens, especially children.

I. INTRODUCTION

During the presidential campaign of 1992, candidate William Jefferson Clinton pledged to the American people to "end welfare as we know it" and to institute a two-year time limit for welfare benefits. Voters responded favorably to this idea, but there was much disagreement over exactly what "ending welfare" would entail. When the Republicans took control of both houses of Congress in 1994, legislation was introduced which gave substance to the Clinton plan and extended the provisions of the Family Support Act of 1988.[1] On August 22, 1996,

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[1] The Family Support Act emphasized job placement and included provisions for education and job training in order to facilitate its goals. A new program called Job Opportunities and Basic Skills (JOBS) would provide education and training.

President Clinton signed into law a sweeping reform of the welfare system, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRA).[2]

The PRA included additional investment in education and training but also instituted a number of important changes in eligibility for federal benefits. Perhaps the most significant change was to replace the guaranteed income support to individuals meeting nationally defined eligibility criteria with a block grant program called Temporary Assistance to Needy Families (TANF), which gives wide discretion to the states.[3] States were given the authority to design and administer welfare programs, subject to various statutory limitations, and to determine eligibility criteria, the length of time individuals would be provided assistance, the kind of assistance to be provided, and the terms and conditions of that support.

In addition to the federal initiatives, states were experimenting with new criteria for benefits and new methods of service delivery for the most needy citizens. Wisconsin's program has received the most attention; however, it was by no means the only state to make significant changes in welfare service delivery. For example, Ohio had received waivers for new welfare programs from the federal government, and Ohio's first welfare reform legislation predated the federal bill by a year.[4]

These changes, both on the federal and state levels, were designed to break the cycle of welfare from becoming a way of life. The advocates of these changes were convinced that the previous welfare system was keeping the poor impoverished and holding them down by making them dependent on monthly checks rather than providing encouragement and incentives to become self-sufficient.[5] Opponents charged that the changes went too far and have removed the safety net from the nation's neediest people without replacing it with any comparable program.[6] This Paper will describe the changes in federal welfare

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[2] Pub. L. No. 104-193, 100 Stat. 2105 (1996) (codified as amended in scattered sections of 42 U.S.C.).

[3] The previous program, Aid to Families with Dependent Children (AFDC), provided funds for families meeting the established criteria. States did have the ability to establish benefit levels so that not all people receiving income support through AFDC received the same amount of support. *See* 45 C.F.R. § 233.20(a)(1) (1996).

[4] *See* H.B. 167, 121st Leg., Gen. Sess., 1995 Ohio Legis. Serv. 3005 (Banks-Baldwin) (enacted). Ohio H.B. 167 was signed by Governor Voinovich on August 16, 1995 and made significant changes in the way welfare services were delivered in the state. *Id.* This bill became the basis for further state welfare reforms.

[5] *See* Nichola L. Marshall, *The Welfare Reform Act of 1996: Political Compromise or Panacea for Welfare Dependency?*, 4 GEO. J. ON FIGHTING POVERTY 333, 339–41 (1997). In this article Representative John Kasich, Republican from Ohio and Chairman of the House Budget Committee, stated that it is a "sin to continue to help people who need to learn to help themselves." *Id.* at 340.

[6] *See* Peter Edelman, *The Worst Thing Bill Clinton Has Done*, ATLANTIC MONTHLY,

delivery and in Ohio welfare delivery and the possible effects of these changes on our poorest citizens.

II. CHANGES IN THE FEDERAL APPROACH TO WELFARE

A. *Background of the PRA*

The purpose of the PRA is to increase "the flexibility of States in operating a [TANF] program."[7] It sets out four general objectives: "(1) provide assistance to needy families so that children may be cared for in their own homes . . . ; (2) end the dependence of needy parents on government benefits . . . ; (3) prevent and reduce the incidence of out-of-wedlock pregnancies . . . ; and (4) encourage the formation and maintenance of two-parent families."[8]

The House Conference report on the legislation argues that the PRA "promotes work over welfare and self-reliance over dependency" and offers "a helping hand, not a handout" to those in need.[9] The report also emphasizes that the PRA is not designed to eliminate the safety net for poor children. Children are recognized as being especially vulnerable to these changes. They are guaranteed support as necessary; however, specific protections are not enumerated.[10]

In order to provide flexibility to the states, the PRA decentralizes much of the decisionmaking for particular programs. States receive flexible block grants based on 1994 funding levels. However, in order to receive maximum federal monies, states must continue to allocate at least eighty percent of their Fiscal Year (FY) 1994 state funds for Aid to Families with Dependent Children (AFDC) to prove their maintenance of effort (MOE).[11] States may define their own criteria for recipients of TANF assistance as long as they are in compliance with constitutional limitations and statutory requirements for "fair and equitable

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MAR. 1997, at 43, 43. Edelman disagreed so strongly with this policy that he resigned his position as Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services.

[7] 42 U.S.C. § 601(a) (Supp. II 1996).

[8] *Id.*

[9] H.R. REP. NO. 104-725, at 261 (1996).

[10] *See id.* However, states are allowed to exempt up to 20% of their caseloads from lifetime eligibility limits. In addition, families who are terminated from TANF assistance may receive Medicaid, food stamps, and education and training benefits.

[11] *See* 42 U.S.C. § 609 (Supp. II 1996). The Department of Health and Human Services has a Guide for Funding Services for Children and Families on their web site. The issue of MOE is discussed: "States must spend 80% of their historic level of spending (FY 1994)—or 75% if they meet work participation requirements—on 'qualified State expenditures' to meet the basic MOE requirement." Dep't of Health & Human Servs. Admin. for Children & Families Office of Family Assistance, *Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families Through the TANF Program* (visited Nov. 18, 1999) <http://www.acf.dhhs.gov/programs/ofa/funds2.htm>.

treatment."[12] However, states are prohibited from providing funds for certain classes of individuals, including teenage parents who do not attend high school or training programs and teenage parents not living in adult-supervised settings.[13]

Compared to the AFDC program, the PRA changes the way states look at their welfare assistance programs and incentives. States must require recipients to work or participate in work-related activities as a condition of receiving benefits, and these benefits are time-limited.[14] Other than these requirements, states can set time limits for benefits and eligibility criteria, define work requirements, determine the type of assistance to provide client populations, and develop standards for recipients. As a result, there are fifty separate programs with individual guidelines and standards for welfare service delivery.

States do have incentives to meet federal guidelines. Under the PRA, states can keep all of the fiscal savings that occur as a result of reducing their welfare costs because they receive a set amount of money in the form of the block grant.[15] States are held to clear performance standards based on getting welfare recipients into qualified work activities. States not able to meet the targeted numbers will be penalized financially.[16] Other than these few restrictions, states can do "almost anything they want,"[17] including establishing procedural protections regarding adverse decisions. The statute states that the state "shall set forth objective criteria

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[12] 42 U.S.C. § 602(a)(1)(B)(iii) (Supp. II 1996). The legislation reads: the state "shall set forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including an explanation of how the State will provide opportunities for recipients who have been adversely affected to be heard in a State administrative or appeal process." *Id.*

[13] *See* 42 U.S.C. § 608(4)–(5) (Supp. II 1996).

[14] *See* 42 U.S.C. § 601 (Supp. II 1996). States do have flexibility in defining what constitutes qualified work activities and setting individual state time limits. The categories for eligibility limits are broad, as are the state's ability to impose family caps on benefits and child support guidelines, and to decide whether or not to provide benefits to felons or illegal immigrants.

[15] For FYs 1996–2002, federal dollars are tied to the amount of money states received in FY 1994, FY 1995, or the average from 1992–94. Ohio's money is based on the amount received in FY 1994, or based on a caseload of 251,037 family assistant groups. Between 1994 and 1997, when the law took effect, the caseload in Ohio had fallen from 251,037 to 192,747 families. This decrease meant that the block grant would provide additional funding to support programs and to the changes that would be necessary to implement the law. Most other states received similar windfalls based on caseloads that had been declining prior to the enactment of the legislation. *See* U.S. Dep't Health & Human Servs. Admin. for Children & Families., *Change in TANF Caseloads* (last modified Aug. 1999) <http://www.acf.dhhs.gov/news/stats/case-fam.htm>.

[16] A timetable for work participation with economic penalties is provided to each state. The cuts imposed for not meeting the targets are severe, with the state being cut by 5% in the first year and 2% in subsequent years. By 2002, 50% of the state's welfare recipients must be meeting the work participation requirements. *See* 42 U.S.C. § 607(a)(1) (Supp. II 1996).

[17] *See* Edelman, *supra* note 6, at 9.

for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including an explanation of how the State will provide opportunities for recipients who have been adversely affected to be heard in a State administrative or appeal process."[18]

Once the state has reached its required eighty percent MOE target for spending on welfare-related activities, it can redirect the TANF surplus to any other programs, including tax relief.[19] While this system is presently generous, the funding is not indexed to inflation and there is only modest protection if welfare rolls rise during a deep recession.[20] Previously, the federal government provided at least half of a state's expenditure for AFDC benefits.[21] Changes in the way money is distributed to the state means that increases in spending on welfare programs will not be shared by the federal government but will come entirely out of state coffers. The result of this policy is to place welfare benefits in direct competition with other public choices for the state policymaker and the state's voters.

B. *Federal Provisions That Affect Children*

The Urban Institute, in its series, *New Federalism: Issues and Options for States*, has provided a summary of provisions in the PRA which have implications for children.[22] In their report, the authors examine several broad provisions of the PRA which will affect children: (1) income and work policies, (2) time limits, (3) paternity and child support, (4) eligibility and entitlement changes, (5) child care, and (6) family support.[23] The following section will briefly describe each of these areas.

1. *Income and Work Policies*

What will the welfare changes do to poor children? Although the PRA is not described in terms of children's policy, the changes are bound to affect children

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[18] 42 U.S.C. § 602(a)(1)(B)(iii) (Supp. II 1996).

[19] *See* Robert P. Inman & Daniel L. Rubinfeld, *Rethinking Federalism*, 11 J. ECON. PERSPECTIVES, Fall 1997, at 43, 56 n.16. Inman and Rubinfeld suggest that these dollars will be highly fungible and can easily be directed to other state preferences. *Id.*

[20] Although there is a small contingency fund with $2 billion in reserves to be allocated through TANF when a recession occurs, this would not be sufficient to cover the need. For example, $2 billion would have only covered about one-third of the extra spending which occurred during the mild 1991–92 recession. *See id.*

[21] *See* 42 U.S.C. § 603 (Supp. II 1996). Wealthier states received a one-to-one match while poorer states received even more.

[22] *See generally* Martha Zaslow et al., Urban Inst. *Welfare Reform and Children: Potential Implications*, series no. A-23, *in* NEW FEDERALISM: ISSUES AND OPTIONS FOR STATES.

[23] *Id.*

disproportionately. Analysts at the Center on Budget and Policy Priorities have estimated that two out of every three people affected by welfare reform will be children.[24] The Urban Institute released a study showing that the PRA would push 1.1 million children into poverty and have the effect of increasing the number of children in poverty by about twelve percent.[25] If the Urban Institute's predictions are correct, more than eleven million families who would see their incomes fall are already low-income working families.[26]

Under AFDC, the primary goal was to provide assistance in order that single mothers could care for their children at home. While AFDC was originally a tool to allow widows to provide a home for their dependents, it was expanded until it allowed coverage to racial minorities and nonwidows.[27] As stated earlier, the new law replaces AFDC benefits with TANF and changes the rules of the game.

The new law requires welfare parents to spend more hours at work activities, which will translate into fewer hours with their children. The work requirements portion of the PRA mandates that welfare recipients be engaged in paid employment, unpaid work experience, or community service.[28] Failure to meet these requirements will result in the loss of benefits.[29]

2. *Time Limits*

Prior to passage of the PRA, eligibility was not time-restricted by the federal government. Citizens who met income eligibility guidelines were entitled to assistance. Under the current law, lifetime benefits are limited to five years of federal money, although states can set shorter lifetime limits.[30]

There is reason to be concerned about children from long-term welfare

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[24] *See* Center on Budget & Policy Priorities, *Conference on the Welfare Bill* (last modified July 31, 1996) <http://www.cbpp.org/wel730.HTM>.

[25] *See* CENTER ON BUDGET & POLICY PRIORITIES, NO. 96-072, URBAN INSTITUTE STUDY CONFIRMS THAT WELFARE BILLS WOULD INCREASE POVERTY 1 (1996), *available in* <http://www.cbpp.org/URBAN726.HTM> (last modified July 26, 1996).

[26] *See id.* The assumptions of the Urban Institute are reported to be more conservative than assumptions relied on by the Administration in 1995. If the Administration's assumptions were used, the figure would rise to 1.3 million children below the poverty line. *Id.*

[27] *See* LINDA GORDON, PITIED BUT NOT ENTITLED, SINGLE MOTHERS AND THE HISTORY OF WELFARE 1890–1935, at 23, 45–46 (1994).

[28] *See id.* at 11. For one-parent families, the requirement is that at least 25% of welfare recipients should be involved in allowable activities for at least twenty hours per week in FY 1997. The requirement for work is greater for two-parent families. The PRA states that 75% of two-parent households receiving assistance must demonstrate that one parent is working at least thirty-five hours per week. *See* 42 U.S.C. § 607 (Supp. III 1997).

[29] *See id.*

[30] *See* 42 U.S.C. § 608(a)(7) (Supp. II 1996). States can provide state money to be used to assist individuals or families who have met their lifetime limit. In addition, states can exempt up to 20% of their average monthly caseload from the time limit.

dependent families who lose their benefits. The Urban Institute cited a report that found significant differences between long-term welfare families and short-term recipients.[31] In an evaluation of the Job Opportunities and Basic Skills (JOBS) program, Moore and Driscoll reported that:

> [L]ong-term [welfare] recipients displayed more depressive symptoms, had less of a sense of personal control over their lives, and had fewer social supports than short-term recipients .... [They] also provided their children with less cognitive stimulation and emotional support... and the children themselves scored lower on measures of receptive vocabulary and social maturity.[32]

They concluded that "[c]hildren from families who are more likely to reach the time limits thus appear to be at higher risk already."[33]

3. *Paternity and Child Support*

Under the new law, paternity and child support provisions were strengthened. States are to take aggressive measures to establish paternity and to collect child support.[34] A study conducted by the Office of Child Support Enforcement reports that establishing paternity early is a cost-effective measure to take.[35] The earlier the paternity is acknowledged, the more successful the efforts. The PRA mandates that states make a voluntary acknowledgement of paternity equivalent to a legal finding of paternity, absent a timely challenge.[36]

States are to maintain databases that will contain records on each case in which the state has provided welfare services. Each child support order will also be registered in the databases.[37] The Secretary of Health and Human Services may designate specific information that is to be kept in these databases.[38] However, it must include standard information such as names, social security numbers and other uniform identification numbers, and dates of birth and case identification numbers.[39]

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[31] *See* Zaslow, *supra* note 22. A study of the JOBS program, which described several symptoms of long-term welfare-dependent recipients, was cited in this report.

[32] *Id.*

[33] *Id.*

[34] *See* 42 U.S.C. § 654(4) (Supp. II 1996).

[35] *See* Barbara C. Cleveland, Office of Child Support Enforcement, DCL-9219, Paternity Establishment (last modified May 12, 1992) <http://www.acf.dhhs.gov/programs/cse/pol/dcl9219.htm> (dear colleague letter).

[36] *See* 42 U.S.C. § 666(a)(5) (Supp. II 1996).

[37] *See* § 666(a)(17).

[38] *See id.*

[39] *See id.*

In addition, employers are required to furnish information on new hires.[40] This directory will be used to track individuals for the purpose of establishing paternity and enforcing support obligations. The federal repository will be Federal Parent Locator Services at the Department of Health and Human Services (DHHS).[41] The federal repository can be used to track interstate cases, and the information will also be provided to the Commissioner of Social Security[42] and the Secretary of State.[43]

The effect of these provisions on parental involvement is yet to be determined. If the mandatory procedures create additional interparental strains or conflicts, the children will undoubtedly be negatively affected.

Child support provisions in the PRA are stricter than in the past. States must maintain child support programs and have laws and procedures meeting federal requirements as a condition of receipt of federal money.[44] Previously, states were required to disregard the first fifty dollars of monthly child support payments when determining an AFDC family's benefit or eligibility. This provision is eliminated as a federal provision; however, states may elect to continue the former policy.[45]

4. *Eligibility and Entitlement Changes*

Children with disabilities were eligible for Supplemental Security Income (SSI) under previous legislation. The PRA previously defined disability for children to include only those children under eighteen whose impairments were of "comparable severity" and adults whose disability precluded them from attaining substantial gainful employment.[46] In addition, the PRA mandated two major changes in implementing regulations, which also excluded many children who had previously been classified as disabled.[47] The first change rewrote the medical criteria for mental and emotional disorders, and the second change eliminated functional assessments for children who did not meet the listed medical conditions.[48]

The Social Security Administration estimated that 135,000 to 315,000

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[40] *See* 42 U.S.C. § 653a(a)(1)(A) (Supp. III 1997).

[41] *See* 42 U.S.C. § 654(7)(B) (Supp. II 1996).

[42] *See* 42 U.S.C. § 653(j)(4) (Supp. III 1997).

[43] *See* 42 U.S.C. § 652(k) (Supp. III 1997). Obligors with large arrearages (set at $5,000) will be denied privileges to travel internationally. *Id.*

[44] *See* 42 U.S.C. § 603(a) (Supp. II 1996).

[45] *See* 42 U.S.C. § 603 (Supp. II 1996).

[46] Public Law 104-193, § 211(a)(1)–(2) made children less likely to be eligible for SSI benefits by separately defining what constitutes a disability. *See* 42 U.S.C. § 1382c(a)(3)(A) (Supp. II 1996).

[47] *See id.*

[48] *See id.* (defining a disabled adult); *see also* § 1382c(a)(3)(C) (defining a disabled child).

children with behavioral disorders and learning disabilities who received SSI would no longer be eligible for these benefits under PRA.[49] Adult welfare recipients who receive SSI would be subject to work requirements. These are families and individuals who are most at risk for difficulties.[50]

5. *Child Care Policy*

One of the frequently cited barriers to participation in the labor force is access to child care.[51] Even when child care is available, the quality of the care children receive in many centers is questionable.[52] Therefore, this may leave the welfare parent in the unenviable position of choosing whether to place the child in an inadequate care facility or to lose all benefits.

As more parents make the transition from welfare to work, the need for adequate child care will increase.[53] The PRA has made four changes in child care policy. "[W]hat had been four separate streams of funding were consolidated into a single Child Care and Development Block Grant (CCDBG)."[54] In addition, the amount of money available for these services has been increased, both through increases in the funding and by allowing flexibility for states to transfer money from TANF into child care funding.[55] However, state responsibility to guarantee

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[49] *See* Social Sec. Admin., *Welfare Reform and SSI Childhood Disability* (last modified Feb. 5, 1997) <http://www.ssa.gov/pubs/wrchild.html>.

[50] Some of these individuals will undoubtedly be included in the allowable state exemptions.

[51] The National Center for Children in Poverty has conducted and sponsored a number of studies on children's poverty issues. *See generally* NANCY K. CAUTHEN & JANE KNITZER, NATIONAL CTR. FOR CHILDREN IN POVERTY, BEYOND WORK: STRATEGIES TO PROMOTE THE WELL-BEING OF YOUNG CHILDREN AND FAMILIES IN THE CONTEXT OF WELFARE REFORM (1999); ANN COLLINS ET AL., CHILDREN AND WELFARE REFORM: HIGHLIGHTS FROM RECENT RESEARCH (1996); JANE KNITZER & NANCY K. CAUTHEN, ENHANCING THE WELL-BEING OF YOUNG CHILDREN AND FAMILIES IN THE CONTEXT OF WELFARE REFORM: LESSONS FROM EARLY CHILDHOOD, TANF, AND FAMILY SUPPORT PROGRAMS (1999).

[52] *See, e.g.*, Laura Scott, *Facing Up to the Child Care "Trilemma[.]" The Challenge: Providing High-Quality Care That Adequately Compensates Providers and Still Is Affordable to Families*, KAN. CITY STAR, June 21, 1998, at K1.

[53] *See* Elspeth K. Deily, Comment, *Working with Welfare: Can Single Mothers Manage?*, 12 BERKELEY WOMEN'S L.J. 132, 134 (1997).

[54] MARK H. GREENBERG, CENTER FOR LAW & SOC. POLICY, CHILD CARE POLICY TWO YEARS LATER 1 (1998), *available in* <http://www.clasp.org/pubs/childcare/childcarepolicyarticlemhg.htm> (last modified Apr. 27, 1999). The CCDBG general entitlement fund is given to the states to provide assistance, but these monies do not have to be matched with state funds. The requirement for the state is that it maintain current levels of child care spending. *Id.* at 1–2.

[55] *See id.* The PRA repeals several major funding streams for child care. *See, e.g.*, Social Security Act of 1935, ch. 531 tit. IV § 401–06, Stat. 620, 627–29 (Aid to Families with Dependent Children), *repealed by* Personal Responsibility and Work Opportunity

child care has been eliminated, and there are indications that not all states will provide readily available child care to families.[56] The PRA's only guarantee is that child care subsidies provide equal access to those families receiving child care services under the PRA and those receiving similar services in the state or geographic area.[57] Noting this omission in the PRA, some states have anticipated the problems that lack of adequate child care present to low-income working parents and have taken steps to respond to these needs.[58] However, the gap between supply and demand will likely increase.

Although the PRA addresses this anticipated increase in demand by authorizing Congress to appropriate fourteen billion dollars in child care block grants to states (an increase of four billion dollars in federal child care funds), these additional funds are insufficient to subsidize child care for all the families that will need it based on the additional work requirements. Additionally, the law does not set minimum quality standards for child care and, by increasing states' discretion over the use of federal child care funds, may create incentives for states to give priority to the quality rather than to the quantity of subsidized child care.

6. *Supporting Children and Welfare Policies*

Supporting children and taking care of the needs of families is a difficult task for working parents. Poor families are likely to be under greater stress as they transition from welfare to work. According to Mary Jo Bane, there is almost no data to predict what will happen as families cope with these changes.[59] The Children's Defense Fund (CDF) reports that "[P]oor children are three times more

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Reconciliation Act of 1996, Pub. L. No. 104-193, 110 Stat. 2105 (codified as amended in scattered sections of 42 U.S.C.) (Temporary Assistance to Needy Families). Finally, the PRA amends the CCDBG itself, most significantly by increasing state discretion over spending: each state can determine what percentage of funds to allocate to subsidies and what percentage to quality investments, subject only to broad federal guidelines. The amendments require states to spend 70% of the funds on subsidies and only 4% on quality and availability improvements, a marked decrease from the 25% mandated for quality and availability in the original child care development block grant. States have broad latitude over the remaining 36%.

[56] During an interview on the NewsHour program with Jim Lehrer, Ohio Representative Joan Lawrence stated, "What would be the point of getting rid of the entitlement to welfare and then replace it with another entitlement that would grow and grow for childcare?" *NewsHour with Jim Lehrer: Welfare/Daycare Dilemma* (PBS television broadcast, Feb. 6, 1997).

[57] 42 U.S.C. § 9858c(c)(4)(A) (Supp. II 1996).

[58] The National Center for Children in Poverty reports that only eight states have developed deliberate strategies to link welfare reform implementation with comprehensive programs for young children and families receiving public assistance or transitioning to work. *See generally* JANE KNITZER ET AL., NATIONAL CTR. FOR CHILDREN IN POVERTY, MAP AND TRACK: STATE INITIATIVES FOR YOUNG CHILDREN AND FAMILIES (2d ed. 1998) (visited Aug. 18, 1999) <http://cpmcnet.columbia.edu/dept/nccp/MT98text.html>.

[59] *See* Mary Jo Bane, *Welfare As We Might Know It*, AM. PROSPECT, Jan.-Feb. 1997, at 47, 52.

likely to die from all causes compared to nonpoor children. They are . . . more likely to be in fair or poor health . . . [and] are more likely to fall behind in school and to drop out."[60] If welfare reform creates additional family poverty, the children of the poor can be placed in great harm.[61] States are under no obligation to create programs to help in the transition between welfare and self-sufficiency.

There is little data to predict what happens to these families who are unable to cope with the changes.[62] Bane predicts that states, communities, and agencies will have to develop new approaches to solve these child protection issues, and the federal government may need to assist in funding the systems.[63]

III. OHIO'S WELFARE RESPONSE

In order to understand Ohio's welfare reform and its effect on children, it is important to understand how welfare programs have developed in the state. Ohio has a long history of strong county government, whose formal structure was incorporated into the Ohio Constitution in November 1933.[64] County charters were mandated to provide a form of government for the county, to determine which officers should be elected, and to determine how the elections should take place. Ten years later, the Ohio General Assembly passed H.B. 140, which allowed each county to establish a Department of Welfare to coordinate and administer human service activities.[65] Thus, because county governments have historically been responsible for welfare and children's services, the infrastructure was available in the most recent wave of welfare reform for Ohio to shift greater responsibility for these programs to the counties.

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[60] *See* Children's Defense Fund, *The New Welfare Law: One Year Later: The Good, the Bad, and the Unknown* (last modified Oct. 14, 1997) <http://www.childrensdefense.org/fairstart_oneyr.html>.

[61] The CDF and the National Coalition for the Homeless released a joint report on family hardship and early findings on welfare reform. This report shows evidence that most welfare jobs pay far below the poverty line and that many families are losing income and living below the poverty level. *See generally* ARLOC SHERMAN ET AL., CHILDREN'S DEFENSE FUND, WELFARE TO WHAT: EARLY FINDINGS ON FAMILY HARDSHIP AND WELL-BEING (1998).

[62] *See* Bane, *supra* note 58, at 52. The author states:

> Some of the families are no doubt fine, having found jobs, decent living situations, and adequate child care, so that their children are well cared for and safe. Others are likely to be in situations of great instability, both in their work and in their housing; some are likely to be in danger.

Id.

[63] *Id.* at 48.

[64] OHIO CONST., art. X.

[65] H.B. 140, 95th Gen. Leg., Gen. Sess., 1943 Ohio Laws 430. H.B. 140, which established county departments of welfare, was passed on May 26, 1943.

A. *Changes to Ohio's Welfare System*

Prior to the passage of the PRA, Ohio had implemented a program called Learning, Earning, and Parenting (LEAP) that received national attention. LEAP targeted case management services to teen parents and pregnant teenagers who were not high school graduates and were not attending school on a regular basis.[66] A combination of financial rewards and sanctions, casework intervention, and child care services were designed with the goal of preventing high school dropouts and increasing high school graduation rates.[67] This program has been the subject of study and evaluation and has been shown to have a modest positive impact.[68]

When LEAP was initially proposed under the administration of Democrat Richard Celeste, the program brought together welfare advocacy groups in an organized welfare coalition.[69] The other group intensely concerned about the effects of LEAP was the caseworkers in the county agencies who would now be required to be proactive with respect to the education and child care needs of teen parents.[70] Frontline workers would also be responsible for sanctioning teen parents who were in noncompliance with the program requirements.[71] LEAP thus provided incentives and laid the foundations for coordinated actions among those most affected by changes in welfare programs.[72]

In 1991, Republican George Voinovich replaced Richard Celeste as governor. Ohio was in the midst of a recession and the state's budget was running a deficit.[73] Rumor had it that one of the ways being considered to balance the budget was the elimination of General Assistance (GA).[74] Interest groups serving as advocates for the poor who previously had been involved with the LEAP

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[66] *See* DAVID LONG ET AL., LEAP: THREE-YEAR IMPACTS OF OHIO'S WELFARE INITIATIVE TO IMPROVE SCHOOL ATTENDANCE AMONG TEENAGE PARENTS: OHIO'S LEARNING, EARNING, AND PARENTING PROGRAM 1 (1996). For more information on LEAP *see generally* DAN BLOOM, ET AL., MANPOWER DEMONSTRATION RESEARCH CORP., IMPLEMENTING A WELFARE INITIATIVE TO IMPROVE SCHOOL ATTENDANCE AMONG TEENAGE PARENTS: OHIO'S LEARNING, EARNING, AND PARENTING PROGRAM (1991).

[67] *See id.*

[68] *See* DAN BLOOM ET AL., INTERIM FINDINGS ON A WELFARE INITIATIVE TO IMPROVE SCHOOL ATTENDANCE AMONG TEENAGE PARENTS 123–72 (1993).

[69] These advocacy groups initially coalesced to protest the LEAP initiative as being punitive and unfair. *See* Interview with Jerry Calimore, Executive Director, Ohio Dept. of Human Servs. in Columbus, Ohio (Feb. 28, 1998).

[70] *See* Dan Bloom et al., *Ohio Boosts Attendance Among Teen Parents*, PUBLIC WELFARE, Winter 1994, at 18, 21.

[71] *See* LONG, *supra* note 66, at 2.

[72] OHIO REV. CODE ANN. § 5107.30 (Anderson 1998).

[73] *See* Interview with Jerry Calimore, supra note 69.

[74] *See id.*

initiative were reactivated to fend off the threatened cuts.[75] This coalition of advocacy groups became known as the Human Services Coalition. They were joined by the County Commissioners Association in the effort to prevent GA from being eliminated.[76] The Human Service Coalition also began to lobby on behalf of the poor in the legislature and was successful in getting the attention of the press in creating a dire image of homelessness and need in the state.[77] Democrats in the House proposed an alternative to the Voinovich proposal. The House bill created three classes of recipients and reduced the amount of support that could be provided.[78] The Senate, reacting to the lobbying pressure, media attention, and public support, chose to present a modified House version of welfare legislation rather than to support the Governor's proposal.[79]

The final result of these negotiations was the enactment of legislation that established two new state-run programs: Disability Assistance (DA), a program to cover the disabled and children under age eighteen, and GA, which provided time-limited cash and medical benefits.[80] The Human Services Coalition was thus successful in assembling support to continue welfare benefits in Ohio.

The defeat of the initial Voinovich legislation also led to criticism of the process used. He was attacked for not consulting and gaining the support of legislators and interest groups.[81] In addition, the Ohio Department of Human Services (ODHS) staff was not involved with the final version of the bill (this support typically has been important for passage of welfare related legislation).[82]

One of the enduring outcomes of this effort was a strengthened cooperative arrangement between the health and human service interest groups. Another was that the Governor had elevated the visibility of welfare reform and placed the issue squarely on the legislative agenda.

In 1992, the Governor announced that he would establish a blue ribbon welfare reform committee composed of a broad coalition of interest groups to help formulate a comprehensive welfare reform plan.[83] During the course of developing the proposal for the committee, it was disclosed that the Governor had already drafted the new reform effort.[84] This draft contained the Governor's goal

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[75] *See id.*.

[76] *See id.*

[77] *See* Interview with with Jackie Romsenski Senski, Chief of Staff, Former-Governor Voinovich in Columbus, Ohio (Dec. 4, 1997 & Feb. 4, 1998); Interview with Arnold Thompkins, Former Director, Ohio Dep't of Human Servs. in Columbus, Ohio (Oct. 21, 1997 & Feb. 25, 1999).

[78] *See* sources cited *supra* note 77.

[79] *See id.*

[80] *See id.*

[81] *See id.*

[82] *See id.*

[83] *See id.*

[84] *See id.*

of determining and eliminating barriers to employment and self-sufficiency. However, feeling both excluded from, and used by, the process, coalition members withdrew from the commission, and without their support the draft legislation was never seriously considered.[85] A number of other pieces of welfare legislation received support from several senators, human service interest groups, and the larger human service coalition, but after the false start in 1992, substantive welfare reform took a back seat to other legislative priorities.[86]

Around this time, the Director of the ODHS resigned. This vacancy at the head of the agency allowed Governor Voinovich to initiate a nationwide search for a new director, and in early 1993 he hired Arnold Thompkins as his Director of Human Services.[87] Thompkins, a lawyer by training, served in various positions at ODHS from 1985–93 and was nominated by President Bush to the position of Assistant Secretary for Management and Budget and Chief Fiscal Officer for the United States Department of Health and Human Services (DHHS).[88]

Voinovich recruited Thompkins from DHHS in Washington, and he came to Ohio sharing the Governor's belief in the need for welfare reform.[89] Thompkins became active in working with the legislature on welfare proposals, which helped keep welfare reform squarely on the legislative agenda.[90] Thompkins also became a catalyst for establishing a new structure and vision within the department, and he worked diligently to develop strong relationships between his department and the legislative committees that were primarily responsible for welfare issues.

Republican Senator Richard Finan, Chair of the Ways and Means Committee, reactivated his bill from the previous session and worked with the Governor's office and Director Thompkins to develop the new reform bill, Senate Bill 1.[91] This bill contained a provision to establish a ten-county pilot program to test features of the Governor's welfare reform ideas. When the news of potential pilot programs reached the counties, several of them began to create task forces so that they could apply for the money as soon as it became available. Although this legislation was not ultimately enacted, the groundwork had been laid and networks of human service interest groups emerged in several of the more progressive counties.

The 121st General Assembly began its session with a new look. In 1995, Republicans gained control of the House for the first time since 1973. This gave

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85 *See id.*

86 *See id.*

87 *See* Interview with Arnold Thompkins, *supra* note 77.

88 *See id.*

89 *See id.*

90 *See id.*

91 *See* Interview with Jackie Romsenski, *supra* note 77.

Republicans a majority in both chambers of the legislature as well as control of the Governor's office. Once again, welfare reform was on the agenda. The primary bill was sponsored by Joan Lawrence, a Republican from Delaware, Ohio, and the Chair of the House Human Service Committee, who worked with the Governor's office and ODHS to develop the legislation. H.B. 167, which preceded the federal welfare reform legislation, was signed in August 1995 and focused its attention on the recipients of benefits.[92]

Ohio was granted waivers by DHHS to enact several provisions of H.B. 167. Included in this legislation was an Adult Emergency Assistance Program (EAP) to provide temporary money for welfare recipients in need of a one-time payment for special needs such as food, clothing, and shelter that might pose a barrier to employability. This expanded the eligibility for this emergency assistance to adults who would not be covered under the Family EAP and whose incomes were not more than twenty-five percent above the poverty guideline. In addition, H.B. 167 provided money to be transferred from each county to a nonprofit agency to serve as an emergency food and shelter provider for the needy.

The primary emphasis of this legislation was to get people off welfare benefits by preparing them for independence. After Ohio received approval for waivers from the federal government, H.B. 167 required a combination of workforce and education participation to retain benefits. Both of these provisions counted as participation in JOBS. The other major change was a limit in the time one could receive cash assistance (thirty-six months out of any sixty-month period). In order to evaluate the program's success and to make recommendations for future changes, several joint study committees were created by the legislation. This legislation laid the groundwork for the major changes which were to be included in the upcoming federal reform bill.[93]

1. *Ohio H.B. 408 and TANF*

When federal welfare reform legislation was passed in August 1996, Ohio needed to revisit state welfare legislation to comply with federal guidelines. TANF replaced AFDC. ODHS officials began a series of visits to counties throughout the state and held public meetings to gain input and support from local constituency groups for the next steps in Ohio's reform process.[94]

In April 1997, Representative Lawrence introduced H.B. 408, which had the input and endorsement of both Governor Voinovich and Director Thompkins. H.B. 408 contains six guiding principles: personal responsibility, community involvement, integration of services, simplifying service delivery, problem

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[92] OHIO REV. CODE ANN. § 5104.44 (Anderson 1998).

[93] This sentiment was expressed by several people interviewed during the course of ten months, including Representative Joan Lawrence, sponsor of the legislation. *See* Interview with Thompkins, *supra* note 77.

[94] *See id.*

prevention, and evaluation of program outcomes. The most significant change is the shift in authority and decisionmaking responsibility from the state to the county. Under the previous system, ODHS set rules and program guidelines for the counties to follow. Under H.B. 408, the rulemaking authority of the state was substantially curtailed, and counties were given much greater responsibility in designing systems of supportive services for welfare recipients and in designing programs aimed at diverting persons from becoming welfare dependent.[95]

When the final vote was taken, H.B. 408 passed unanimously.[96] This broad-based support was testimony to the work that had been done prior to the introduction and during the discussion of the bill by the Governor, Director, legislative sponsor, and welfare advocacy groups. On July 2, 1997, Governor Voinvovich signed H.B. 408 into law.[97]

2. *Main Provisions in H.B. 408*

At the recipient level, the primary focus of Ohio Works First (OWF) is on self-sufficiency and employment through service integration and job training programs.[98] From an organizational standpoint, the key element of this legislation is the shift from central control to "an approach that encourages counties to develop programs based on the needs of their citizens and holds the counties accountable for the outcomes they achieve rather than compliance with federally mandated procedures."[99] Under OWF, the counties assume much broader responsibility and are given much greater flexibility to develop services based on the unique needs of each area.

Ohio's newly configured welfare system under H.B. 408 eliminates AFDC and replaces it with the OWF[100]and the Prevention, Retention, and Contingency programs.[101] In addition, cash benefits increased and time limits were established to limit benefits to thirty-six months out of a sixty-month period.[102]

County responsibilities increased as each county in the state was given more latitude to establish eligibility standards and to develop programs designed to

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[95] *See id.*

[96] OHIO GEN. ASSEMBLY 280 (Matthew T. Schuler ed. 1998). H.B. 408 passed both houses of the Ohio legislature without real opposition. The final vote was ninety-five to zero in the House and thirty-two to zero in the Senate. *Id.*

[97] H.R. 408, 122nd Leg., Gen. Sess., 1997 Ohio Legis. Serv. L-735 (Banks-Baldwin).

[98] *See* OHIO REV. CODE ANN. § § 5101.59, 5101.25 (Anderson 1998).

[99] Ohio Dep't of Human Servs., Welfare Reform Strategy and Implementation (March 1997) (internal document, on file with author); *see also* OHIO REV. CODE ANN. § 5101.161 (Anderson 1998).

[100] *See* OHIO REV. CODE ANN. § 5101.18 (Anderson 1998).

[101] *See id.* § 5108.

[102] *See id.* § 5107.18. Under Ohio law, recipients can receive an additional 24 months of benefits if it is shown that they have good cause for needing additional benefits.

prevent people from entering the welfare rolls.[103] Counties were to enter into partnership agreements with the state, and the state would provide a block grant to the county consolidating eleven previous individual funding streams for particular services into one flexible grant.[104] This block grant provides counties with the same flexibility that the federal grant provides states. The state continues to provide services to county departments of human services, but the extent of the assistance is clarified and contract agreements are reached for training and other support services.[105]

Thus, the two critical pieces of legislation reforming welfare services delivery in Ohio were H.B. 167 and H.B. 408. H.B. 167 had a focus on changing the behavior of people receiving welfare benefits with its requirement for work participation and education and its time-limited component for cash assistance. H.B. 408 continued reform efforts by shifting responsibility from the state to county governments.[106] The guiding principles of this shift were to increase personal responsibility,[107] community involvement, and the degree of integration of services to clients. In addition, the state wanted to focus on simplification of service delivery and prevention of welfare dependency.

3. *Franchise Model for Welfare Reform*

The changing relationship between the state and county departments of human services required a different way of thinking about managing the county programs and developing ways to assist the county operations with the changes they faced. The intent of devolution is to move decisions to levels of government that are closer to the people being governed.[108] However, Thompkins realized

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[103] *See id.* § 5108.08.

[104] *See id.* § 5101.23.

[105] Prior to H.B. 408, supportive services were delivered through eleven discrete programs organized along functional lines. The emphasis was on standardized formats and on compliance with rules and accurate disbursal of support checks to participants. Under H.B. 408 counties were given much greater latitude deciding how to package and deliver child care, employment and training, transportation, and other supportive services to welfare recipients.

[106] *Cf.* KEITH WATSON & STEVEN D. GOLD, URBAN INST., OCCASIONAL PAPER NO. 2, THE OTHER SIDE OF DEVOLUTION: SHIFTING RELATIONSHIPS BETWEEN STATE AND LOCAL GOVERNMENTS 8 (1997), *available in* <http://newfederalism.urban.org/html/other.htm> (visited Nov. 21, 1999) (discussing the trend toward greater devolution to county governments). Ohio is not alone in this shift of responsibility from state to local governments. *See id.* at 4 & tbl.1 (citing 13 states which have county-administered welfare systems).

[107] *See* OHIO REV. CODE ANN. § 5107.64 (Anderson 1998).

[108] *See generally* WALLACE OATES, FISCAL FEDERALISM (1972). Wallace Oates's classic book on fiscal federalism provides a complete description of economic federalism. Oates posits that the central government is assigned responsibility for public activities distinguished by significant externalities involving spatially dispersed populations, while local governments have responsibility for those public activities for which such spillovers are limited. *See also* Wallace

that changing responsibility for program structure and management would necessitate statewide organizational changes and structures.[109]

It is not surprising that in a Republican-dominated legislature and with a Republican governor, the model would be from the private sector. Thompkins looked for an outcome-based structure that would support the Work First strategy—one that would allow for a decentralized organization with cross-functional responsibilities.[110] The structure Thompkins selected was patterned after the franchise model. Wendy's, a national fast food franchiser headquartered in central Ohio, was a key resource for the Director as he developed his vision.[111] Several meetings and brainstorming sessions were held with the top management of Wendy's to learn more about the way the company provides a uniform product and allows its owner-operators flexibility to deliver the company product to their local customers.[112] He was told that business franchises operate independently but with a common mission, purpose, and core set of activities. Franchises are evaluated and rewarded based on key outcome indicators.[113] The franchisee has freedom to tailor its products or services to meet its unique customer needs.[114]

The more Thompkins learned about this model, the easier it was for him to expand on this metaphor of service delivery and to draw parallels with the "products" offered by the Department of Human Services.[115] Like Wendy's corporate office, ODHS has a menu of products to deliver to customers (direct subsidy, child support services, Medicaid, food stamps, and training). Although there is much uniformity in the services, counties are expected to develop programs and relationships with service providers that are responsive to the particular needs and circumstances of their communities.[116] The state, as the franchiser, provides funding, technical support, and training. ODHS controls product quality by negotiating partnership agreements with each county with specific performance objectives and evaluation criteria.[117]

Under the franchise model, the owner-operators are the county commissioners who are responsible for developing the legal arrangements with the state (the partnership agreement). Just as there may be differences in

Oates, *Federalism and Government Finance*, *in* MODERN PUBLIC FINANCE 126, 130 (John M. Quigley et al. eds., 1994) (stating that "[t]he tailoring of outputs to local circumstances will, in general, produce higher levels of well-being than a centralized decision to provide some uniform level of output across all jurisdictions . . . .").

[109] *See* Interview with Thompkins, *supra* note 77.

[110] *See id.*

[111] *See id.*

[112] *See id.*

[113] *See id.*

[114] *See id.*

[115] *See id.*

[116] *See id.*

[117] *See id.*

appearance and service between Wendy's franchise restaurants, a county human service department will have freedom to tailor some programs and services to meet its local client needs.[118]

To facilitate the change required, the state and counties must accept the new roles required of them. The state will need to adapt to the role of "performance manager" and "coach" while the counties will need to adjust to the flexibility and the responsibility that will be given to them. The partnership agreement that is mandated by the legislation will form the "contract" which outlines the key expectations and responsibilities for each of the parties.

Counties have discretion over the development of their Prevention Retention and Contingency Program (PRCP).[119] The PRCP replaces the old Family Emergency Aid Program and is designed to provide temporary assistance to families with at least one child to overcome immediate barriers to achieving or maintaining self-sufficiency and personal responsibility.[120] Counties may follow the PRCP design created by ODHS, modify that design, or develop their own policy. If PRCP works as planned, families will be diverted from the welfare rolls and become self-sufficient.[121]

Much like a district manager in the franchise model, the account manager is an employee of the state department and will be the point of contact between ODHS and the county commissioners. Twelve account manager positions were created to monitor performance and to track compliance with the PRCP and OWF.[122] The account managers are evaluated based on the performance of their counties, and it will be their responsibility to evaluate county performance, identify strengths and weaknesses, direct assistance and support where it is needed, and provide feedback to the county managers and the county commissioners.[123] The account manager will be the primary contact for the counties and will connect the county with technical training and support offered by the state which will assist in meeting goals and objectives.[124]

Another aspect of the account manager's job is to create an information network among the county programs.[125] The state holds regular meetings for the account managers to assemble and discuss issues of importance and relevance to

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118 *See id.*

119 *See id.*

120 *See id.*

121 *See* OHIO REV. CODE ANN. § 5101.80 (Anderson 1998).

122 *See* Interview with Thompkins, *supra* note 77.

123 *See id.*

124 *See* Ohio Dep't of Human Servs., Ohio Works First Program, *Ohio Department of Human Services Partnership Agreement* (visited Nov. 21, 1999) <http://www.state.oh.us/odhs/owf/partagre/hamilton/index.htm>. Counties are incorporating account manager services into their partnership agreement. Many of the counties include a list of the services they expect to receive from their account manager into their partnership agreement. *See, e.g., id.*

125 *See id.*

the counties.[126] These meetings allow for cross-fertilization of programs and sharing of best practices. In addition, the state holds weekly teleconferences, which electronically link county representatives in interactive informational sessions.

ODHS, as the franchiser, is interested in its counties (franchisees) running quality programs which conform to the federal and state statutes and objectives. There is also strong interest in seeing that the counties involve the local nonprofit and community-based organizations in the reform effort. This vision was shared by Director Thompkins and key legislative members.[127] Early on, when county human service organizations were not as proactive in getting outside involvement in job training and placement activities, the state was not reluctant to step in and contract directly with an outside agency, with little or no discussion with the county. For example, a contract was given to Greenbriar, a central Ohio community agency, without prior discussion with the local human service director.[128]

B. *General Provisions of Ohio Works First (OWF)*

The core message of OWF[129] is that "Ohio has fundamentally changed its welfare system to help people become self-sufficient citizens and take personal responsibility for their own lives and futures. The new system provides temporary services to get people employed and help them stay employed."[130] The emphasis has changed from assessing eligibility and processing checks to assisting in locating employment, training, education programs, and other support services.

The new requirements of OWF will affect the state's poorest families. This section describes some of the more significant changes required by H.B. 167 and H.B. 408. The change in requirements for the adults in the household will create changes for the dependent children living in the households. With this in mind, the focus will be on the provisions that most significantly affect adult income and work requirements, time limits, child care, and other support services.

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126 *See id.*

127 *See id.*

128 The Department has changed its contracting policy. Now, rather than directly contracting with local providers, the state will pass the money to the county welfare office to establish the contractual relationship with the local vendor.

129 *See* OHIO REV. CODE ANN. § 5107 (Anderson 1998).

130 Ohio Dep't of Human Servs., Ohio Works First Program, *Ohio Works First for Our Future: Our Families, Our Businesses, Our Communities* (visited Nov. 21, 1999) <http://www.state.oh.us/odhs/owf/colett/octone06.html>.

1. *Prevention, Retention, and Contingency (PRCP)*

As stated above, PRCP replaces the EAP and provides one-time short-term assistance, services, or both, as well as ongoing services of a nonmonetary nature to low-income individuals to prevent them from coming onto the public assistance rolls or from returning to assistance.

The purpose of PRCP is threefold. First, it can help clients who are in financial crisis to avoid OWF rolls in the first place by providing temporary relief from barriers to employment. Second, it can provide low-income Ohioans with employment and training programs necessary to develop skills which will help them become more employable or help them to progress in their current jobs. Third, it can provide postemployment services to low-income Ohioans to help them retain their jobs.

Each county is mandated to establish its own guidelines for PRCP eligibility, and these guidelines can be much more flexible than the state OWF.[131] Also, state law allows assistance to be given to individuals with incomes in excess of OWF eligibility maximums.[132] This flexibility and the extensiveness of this program are viewed by ODHS management as being key components of the Ohio program which set Ohio's welfare reform apart from efforts of other states.

Counties were required by the legislation to submit a PRCP plan to ODHS by October 1, 1997. Counties are allowed to revise their plans as needed and as they gain more experience with the new human services model. The submitted plans vary across each category of assistance, but most plans fall within a relatively small range. For example, income eligibility in eighty of the eighty-eight counties is established at 100% to 150% of the federal poverty guidelines; however, one county has established eligibility of up to 200% of poverty, while another limits eligibility to 75% of federal poverty guidelines.[133]

The maximum assistance available to clients in the different counties varies from a low of $250 to a high of $2600 in a twelve-month period. The most common allowance is $1000, which has been set by eighteen counties.[134] Twelve of the counties have created a loan fund as part of the PRCP and require repayments once the recipient is employed and able to pay.[135]

The state has created an emergency fund of five million dollars each year to allow counties which have experienced a natural disaster to extend and expand their PRCP. In June and July 1998, several Ohio counties became eligible for

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131 *See* OHIO REV. CODE ANN. § 5108.08 (Anderson 1998).

132 *See id.* § 5108.06.

133 *See* Ohio Dep't of Human Servs., Ohio Works First Program, *County Prevention, Retention & Contingency Programs* (visited Nov. 21, 1999) <http://www.state.oh.us/odhs/owf/prc/prc0699.htm>. The state maintains a web site which is updated quarterly and contains provisions in the county PRCP plans.

134 *See id.*

135 *See id.*

emergency funds because of flooding. The only restrictions imposed by the state for access to emergency funds are that the family have a minor child and be adversely impacted by flooding.

The state created this program to keep as many families as possible from enrolling in welfare support programs. Officials think that early intervention and identification of barriers to workforce participation will be an important component in the overall success of the OWF program.

2. *Transportation*

One of the widely cited barriers to employment of low-income individuals is access to transportation.[136] Another requirement of H.B. 408 is that each county submit a plan that addresses the transportation needs of low-income residents.[137] County commissioners are required to consult with a variety of groups to formulate their plan which is to be incorporated into the county's partnership agreement. Counties that are unable to formulate a plan on their own are working with university groups or consultant teams to utilize mapping software and to develop detailed maps of the region which connect welfare clients to area employment opportunities.[138]

ODHS is both using federal funds to provide counties with technical assistance to develop their transportation plans and assisting them in meeting client needs. Transportation programs at the state level have included the Ohio Department of Transportation officials on the Statewide Transportation Task Force.[139] This task force is helping counties identify transportation coordinators and design programs to get clients to job and training sites.[140]

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[136] *See* Carol Harbaugh & Teresa Smith, *Welfare Reform and Transportation: There Is a Connection*, PUBLIC ROADS, Jan.-Feb. 1998, at 38, 40–41. The Federal Highway Administration's 1995 Nationwide Personal Transportation Survey (NPTS) studied the patterns of transportation for people below and above the poverty lines and discovered distinct differences. *Id.* For example, 26% of those below the poverty line are without a vehicle as compared with only 4% of those above the poverty line. *Id.* Additionally, many of the poorest families do not have access to public transit. Also, job creation is greater in suburban areas (two-thirds of all new jobs are located in the suburbs), but three-fourths of welfare recipients reside in either the inner city or rural areas. *Id.*

[137] *See* OHIO REV. CODE ANN. § 306.32 (Anderson 1998).

[138] *See, e.g.*, Ohio Univ., Joyce Found., *Rural Welfare Reform Project* (visited Nov. 21, 1999) <http://www.ilgurd.ohiou.edu/rwrp>. Several of the Appalachian counties are utilizing the services of the Institute for Local Government and Rural Development (ILGARD) to develop county maps. *See* Ohio Univ., ILGARD, *Overview* (visited Nov. 21, 1999) <http://www.ilgard.ohiou.edu/ilgard_information/frameset/ilgard_information_frameset.htm>.

[139] *See* OHIO REV. CODE ANN. § 307.986 (Anderson 1998).

[140] *See, e.g.*, Ohio Univ., ILGARD, *GIS Mapping and Geographic Information Systems* (visited Nov. 21, 1999) <http://www.ilgard.ohiou.edu/ilgard_services/frameset/ilgard_services_frameset.htms>. The Institute for Local Government and Rural Development at Ohio

Three counties have developed "reverse commuting" strategies to assist low-income residents living in inner city neighborhoods to get to suburban areas with available jobs. Through these programs, when public transportation does not exist, counties develop alternative modes of transport to take the clients from the end of the bus line to the job sites.[141]

3. *Income, Work Incentives, and Requirements*

Under OWF, client families have increased work requirements. An assistance group with one adult in residence must show thirty hours of work or work-related activity.[142] When two adults reside in an assistance group, the work requirement is increased to thirty-five hours.[143] Under a federal waiver granted to the state, minor heads of households and adults may participate in educational programs which count toward the client's mandated work requirement.[144] Failure to comply with these requirements results in the loss of benefits.

In order to remove the unintentional consequences of additional income from outside employment, OWF established an income disregard provision. Under current guidelines, the income disregard is extended to $250, and half of the remained earned income is disregarded for eighteen months after the client has employment.[145] Officials in the state think that this will remove some of the penalties resulting from the higher income that comes with employment and reduce some of the psychological barriers to entry into the labor force. Nonetheless, as in the federal examples, increases in work requirements for adults will affect the children dependent on them in low-income households.

4. *Time Limits*

Under H.B. 408, eligible participants can receive cash benefits for up to three years.[146] Once the three-year time limit has been reached, participants cannot collect cash benefits for at least two years. After that time has passed, recipients can apply for another two years if they need additional assistance and can show good cause why they have been unable to obtain employment.[147]

University is participating in a Rural Welfare Reform Project and provides research and technical assistance to southeast Ohio counties.

141 *See* Ohio Works First, Ohio Department of Human Services, Progress Report 10–11 (Sept. 16, 1998) (unpublished internal document, on file with authors) [hereinafter Progress Report].

142 *See* OHIO REV. CODE ANN. § 5107.43(B)(1)(a) (Anderson 1998).

143 *See id.* § 5107.43(B)(1)(b).

144 *See id.* § 5107.58.

145 *See id.* § 5101.18.

146 *See id.* § 5107.18(A).

147 *See id.* § 5107.18(B).

By October 2000, Ohio recipients will begin to reach the thirty-six month deadline.[148] Department officials have stressed the importance of this deadline to clients and are trying to minimize the number of people who will be ineligible for continued assistance when the time limits go into effect. Under current economic conditions and with low unemployment rates, Ohio is in the best position possible for welfare reform to work. However, there are pockets of poverty and counties where unemployment is still in double digits. It is in these isolated areas where officials are most concerned about those left behind.

5. *Child Care*

The 1996 federal legislation revises the existing block grant under which child care funds are provided to the states. Ohio recognizes that child care is a necessity in order to get a custodial parent into the workforce. H.B. 408 sets the eligibility cap for their fund at 150% of poverty.[149] The legislation allows mothers to choose a neighbor, friend, or relative that could provide care. Counties have the responsibility to assist the custodial parent to obtain the most acceptable child care. Early examination of the usage of this provision in H.B. 408 supports the expectation that, as welfare rolls decline, the number of children using child care as a percentage of total OWF children will increase.[150]

The budget bill that passed in June 1997 included a number of provisions for child care programs in the state. A tax credit for employers allows them to claim a fifty percent credit up to $100,000 for start-up costs associated with establishing a child care center at the work site.[151] In addition, employers can claim a fifty percent credit for payments to a qualified child care center.[152] Employers who reimburse employees for child care expenses can claim a fifty percent credit for such expenses up to a maximum of $750 per child per year.[153]

For families who work second- and third-shift jobs, H.B. 408 allowed enhanced rates paid to child care providers who offer care during nontraditional hours.[154] H.B. 408 also included a provision to simplify the certification process when child care is furnished in a permanent residence.[155] Prior to these changes, providers were required to undergo background checks and be inspected for

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[148] *See id.* § 5107.18. The legislation went into effect on October 1, 1997. *Id.*

[149] *See id.* § 5104.34(A)(2).

[150] Examination of the caseload shows that as a percentage of OWF caseload, child care usage has increased from 8% to 9% between October 1997 and June 1998. *See* Progress Report, *supra* note 141, at 10-11.

[151] *See* OHIO REV. CODE ANN. § 5733.37(A) (Anderson 1999).

[152] *See id.* § 5747.36.

[153] *See id.* § 5733.38.

[154] *See id.* § 5104.32(B)(2).

[155] *See id.* § 5104.11.

health and safety issues. Under the changes, certification is simplified in homes serving children from only one family or from relatives or friends of the provider. In this case, the family and provider would self-verify that safety conditions were met, and the background check would be waived.

6. *Child Support Programs*

An emphasis has been placed on enforcing child support provisions in the state. H.B. 352 changed Ohio's child support enforcement guidelines to improve the collection rates for Ohio's children.[156] The Division of Child Support in the Department of Human Services was directed to establish a program to increase child support collections by publishing and distributing a series of posters displaying child support obligors who are delinquent in their support payments.[157] Child support agencies were able to choose to participate in this program.[158]

Previous legislation allowed the Department of Taxation, Bureau of Motor Vehicles, and law enforcement entities to provide information on delinquent parents to the Division of Child Support Enforcement.[159] Since the Division of Child Support was established, state child support collections have risen from $844 million to $1.43 billion between the fiscal years 1991 and 1997.[160]

7. *Children's Health Insurance Program*

H.B. 408 also includes provisions that encourage work and do not penalize wage earners. Through the Children's Health Insurance Program (CHIP), Ohio has expanded Medicaid benefits to include children through age nineteen in families whose earnings place them under 150% of the federal poverty level, or less than $24,675 for a family of four.[161] Certain work-related expenses, such as child care, may be exempted from family income figures so that the actual earnings level may slightly exceed the 150% level.[162] This program is simpler

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[156] *See id.* § 5101.31(B).

[157] *See id.* § 5101.323(A)(1).

[158] *See id.* § 5101.323(A)(2).

[159] *See id.* § 5101.31(G)(2).

[160] *See* Ohio Dep't of Human Servs., Communications Office, *Ohio Gets Tough with Deadbeat Parents* (last modified Dec. 17, 1997) <http://www.state.oh.us/odhs/releases/RL121097.htm> (press release).

[161] This program was contained in the 1998–99 budget bill which was signed by Governor Voinovich on July 2, 1998. *See* H.B. 215, 122nd Leg., Gen. Sess., 1997 Ohio Legis. Serv. L-734, L-734 (Banks-Baldwin).

[162] *See* Office of the Governor George V. Voinovich, Communications Office, *Ohio's Children's Health Insurance Program Approved* (last modified Mar. 23, 1998) <http://www.state.oh.us/odhs/releases/rl032398.htm> (press release).

than the previous health insurance that was offered to recipients through the provisions of the Family Support Act of 1988 because families are not required to visit the County Department of Human Services (CDHS) to apply and recertification is required less frequently.

C. *Key Program Components Affecting Institutions*

Ohio's welfare reform legislation not only affects individuals but, as indicated above, the entire service delivery system in the state. The following section reviews some of the changes that involve the institutions in the state.

1. *Partnership Agreements*

In order to facilitate the shift in responsibility from the state to the county governments, the legislation requires that formal agreements be established between each county and the ODHS. In fact, the cornerstone of the franchise model is the partnership agreement, which formalizes the relationship between the state and each of the eighty-eight counties in Ohio.[163]

In the past, the foundation of the relationship between the two levels of government was established through administrative rules which were written into the Ohio Administrative Code. Under H.B. 408, the relationship is established through a partnership agreement negotiated between the state and each of the eighty-eight counties.[164] The state still has the responsibility of ensuring compliance with the federal legislation, but each county now develops specific programs, goals, and objectives in the provision of supportive services for its TANF-eligible population.[165]

Prior to entering into a partnership agreement, a county must develop a community plan, which outlines how all critical community agencies will be involved in implementing OWF.[166] The plans that have been submitted at this time have been comprehensive and well coordinated with local social service and other agencies. Plans are expected to go beyond the client's immediate financial needs and address longer term barriers to employment by establishing connections to employment and training institutions, child care providers, community drug and alcohol programs, mental health initiatives, and community business and industry leaders.[167]

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[163] *See* OHIO REV. CODE ANN. § 5101.21(B) (Anderson 1999).

[164] *See* OHIO REV. CODE ANN. § 5101.21(B) (Anderson 1999).

[165] *See* Ohio Dep't of Human Servs., Welfare Reform: Strategy and Implementation Plan, at III–7 (March 1997) (unpublished internal document, on file with author) [hereinafter Welfare Reform].

[166] *See id.* § 5107.

[167] *See* Welfare Reform, *supra* note 165, at III–7; *see also* Interview with Thompkins, *supra* note 77.

The previously mentioned transportation plans are also included in this agreement.[168] Major stakeholders are included in the planning process, and ODHS seeks assurances that the foundations have been laid to create permanent networks of support agencies and programs to assist the development of clients and to break down the barriers to long-term employment.[169]

The partnership agreement and community plan force the county to contact and develop relationships with other welfare service providers in the area.[170] This component of Ohio's welfare program acknowledges that community support is critical to support long-term dependent clients as they enter the labor force.

2. *Account Managers and Support*

As previously mentioned, the account manager is a newly created position for ODHS.[171] Each account manager is responsible for a designated region within Ohio. The account manager serves as a liaison between the county and the state.[172] The primary role of the account manager is to help counties succeed, not to monitor them. Account managers will link counties with state reports and downloads for case management activities; provide technical assistance with all of the state IM systems; assist in developing specifications and reports for the state; provide training programs; conduct and publicize local conferences and community outreach programs; and keep the counties informed of potential resources available from the state and federal government, foundations, and other sources.[173] The account managers meet in Columbus on a regular basis to keep abreast of new program offerings, new technology upgrades, and new state and federal legislative changes.[174] During these bi-weekly meetings, account managers are given time to interact with their colleagues to get the benefit from their successes and failures.[175]

The account manager also provides a link to other community services. Account managers are expected to be in regular contact with county commissioners and other local development and employment boards.[176] Personal contacts by the account manager are expected to enhance the relationship between

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[168] *See* Interview with Thompkins, *supra* note 77.

[169] *See id.*

[170] *See id.*

[171] *See supra* Part III.A.3.

[172] *See* Interview with Thompkins, *supra* note 77.

[173] *See* Welfare Reform, *supra* note 165, at III–13 (stating that account managers' primary responsibilities are "to further facilitate this outcome-based system[,] . . . manage a portfolio of counties[,] and . . . be evaluated based on the performance of their portfolio").

[174] *See id.*; *see also* Interview with Thompkins, *supra* note 77.

[175] *See* Interview with Thompkins, *supra* note 77.

[176] *See id.*

the county human service department and other local service providers and assistance programs.

3. *Collaboration with State Agencies*

Since 1990, DHS has contracted with a number of state agencies to perform specific services for the county human service agencies.[177] Service agreements between ODHS and the Ohio Departments of Development, Transportation, Health, Mental Health, Board of Regents, and Education have been in existence to provide supplemental support for county human service clients.[178] For example, job training programs have been designed and delivered to county clients through programs offered at community colleges and paid for through the state interagency agreement with the board of education. These agreements have been eliminated and counties are free to contract directly for the services these agencies provide.[179]

4. *TANF Employment & Training*

Ohio did not apply for the Welfare-to-Work (WTW) grant when it was announced by the U.S. Department of Labor.[180] Instead, the state created another program to assist the TANF population with job training needs. The Ohio program called TANF Employment & Training (TANF E&T) is more flexible than the WTW program and has been developed through surplus TANF funds.

TANF E&T was developed as a collaborative program between ODHS and Ohio Bureau of Employment Services (OBES) and was funded by $44 million of TANF funds earmarked for FY 1999 and FY 2000 to support a training program which targets the hard-to-serve OWF population. The hard-to-serve population is defined as individuals who have been on assistance for twenty-four months or longer regardless of education level, work history, or reading and math skill levels.

The program also targets TANF clients who have the characteristics of long-term dependency—for example, teen mothers, individuals with multiple barriers to work, and individuals with the absence of a high school diploma or equivalency certification. The goal of TANF E&T is to move the hard-to-serve clients into work within the three-year time limit, to ensure continued employment, and to enhance the participants' ability to increase their earnings.

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177 *See* OHIO REV. CODE ANN. § 5101.140 (Anderson 1999).

178 *See* Interview with Susie Ballinger, Deputy Director of Budgeting, Ohio Department of Human Services in Columbus, Ohio (September 10, 1997).

179 *See id.*

180 Letter from Alexis Herman, Secretary of Labor, to George Voinovich, Governor of Ohio (April 17, 1998) (on file with author) (citing the "funding eligibility and information reporting" requirements as inconsistent with Ohio's approach to serve the TANF population).

County departments of human services have a lead role in integrating the TANF E&T program into their community plan and subsequently into their partnership agreement. The county implementation plans must be given to ODHS and OBES with an implementation plan prior to the receipt of the TANF E&T funds. The TANF E&T agreement must include a plan to serve this population, to coordinate among local agencies, and to set targeted goals and performance objectives. The TANF E&T plans must demonstrate how the new program builds upon the One-Stop initiative being undertaken by OBES.[181] Funds are distributed to the county commissioners who will then determine how to disburse the money. This program allows commissioners to contract the money through the CDHS, the Private Industry Council (PIC), or through an alternative service provider of employment and training programs. The funds can be used to provide employment services and placement services as well as postemployment job retention activities.

5. *TANF Early Start*

The Early Start program is a collaborative effort between ODHS and the Ohio Department of Health (ODH) and is currently being piloted in five counties. This prevention program provides home visits, parent education and early screenings for at-risk infants, and referrals to other available services as needed. It is anticipated that this program will help to stabilize families so that they can be prepared to work when their children's ages permit. As in the TANF E&T program, the county departments of human services will be provided funds which are earmarked from TANF funds for children's programs. The CDHS offices are encouraged to work with Family and Children First Councils and Ohio's Early Start program to provide guidance for the programs.[182]

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[181] The OBES One-Stop program is a service delivery system for employment and training programs which are operated through the Bureau of Employment Services. This new concept in service delivery is being funded for its first three years through a $15 million grant from the U.S. Department of Labor. Eventually, twenty-five One-Stop Centers will be put into operation with local financial support and strong community involvement. Although much local flexibility will be given, the offices must include the Job Training Partnership Act and the Economic Development and Works Administration (JTPA/EDWAA) and Title II, Employment Services, Unemployment Insurance, Veteran Employment Services, and Senior Community Service Employment Program. The centers will be affiliated with several educational programs and will have the capability of job readiness testing and training as well as links to employment information and employers. The program was designed to encourage local partnerships and arrangements that will lead to new programs for unemployed Ohioans.

[182] *See generally* Ohio Family & Children First, *Ohio's Vision and Accomplishments* (visited Nov. 21, 1999) <http://www.ohio.gov/OFCF/Frame1.htm>. The Ohio Family and Children First initiative is an umbrella organization, which coordinates services from a diverse group of organizations to promote better service delivery to families and children. *Id.*

IV. DEVOLUTION SQUARED

As noted earlier, Ohio has a long tradition of strong county government in the area of human service delivery. Child support, children's services, alcohol and drug abuse, mental retardation, and aging services are examples of human services in which Ohio counties take a lead role in organizational and funding matters. Welfare reform under TANF has resulted in a further strengthening of county government in Ohio with the devolution of decisionmaking authority from state to county government in the design and implementation of welfare-related support services. Instead of a human services structure largely designed and supervised at the state level and administered locally, Ohio now has eighty-eight separate welfare programs.

This means that children in each of Ohio's eighty-eight counties risk being treated differently. In counties in which children's needs are a priority, children from low-income families may find more services and more support. However, in other counties in which personnel are having a difficult time adapting to the significant organizational changes, the needs of specific client groups may not receive the amount of attention they need.

A. *A Tale of Two Counties: Franklin and Hamilton*

What is apparent is that counties are approaching welfare reform differently. A comparison between two similar counties, Franklin (Columbus) and Hamilton (Cincinnati), reveals different approaches to welfare services. Each of these counties is urban and has low unemployment, a diversified economy, and pockets of poverty located primarily in the inner city area. Each county tends to be politically conservative and tends to elect more Republican representatives than Democrats. Despite the similarities, the two counties have adopted very different welfare reform models.

1. *Franklin County Department of Human Services*

The Franklin County Department of Human Services (FCHS) operates in a highly fragmented system of social service delivery.[183] Income maintenance, child welfare, and child support are all organized as separate boards or agencies, each with separate administrative structures, funding sources, and budgets.[184]

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[183] *See* THE OHIO ALMANAC 442 (Damaine Vonada ed., 1992). Franklin County has a population of slightly over 1 million and is located in the center of the state. *Id.* Columbus, the capital city, is the largest city in the county. *Id.* Its economy is stabilized both because it is the capital of Ohio and the home of The Ohio State University. *Id.*

[184] *See* Interviews with John Hahn, Director of Franklin County Department of Human Services in Columbus, Ohio (Feb. 25, 1998); Mary Lou Langenhop, Assistant Director of Franklin County Department of Human Services in Columbus, Ohio (Dec. 15, 1997); Adrienne

Such fragmentation presents a distinct challenge in coordinating service delivery for TANF eligible populations.[185] There is little information sharing between county social service agencies.[186]

As welfare reform legislation was being considered at the state and national levels, Franklin County created a task force to plan for the county transitions that would be necessary under a changed welfare system.[187] As a result of the early task force meetings, Franklin applied to be one of the first counties in the state to enter a partnership agreement under the new reform legislation.[188]

Franklin chose to move its program into neighborhood-based Community Opportunity Centers.[189] Five such centers are planned and each one should provide a full range of OWF and TANF related services.[190] The first opportunity center was opened in Spring 1998 in a renovated shopping center on the south side of town.[191] The county has placed caseworkers from Franklin County Children Services in the Center; however, another agency, the Alcohol Drug Abuse and Mental Health (ADAM H) board, has not chosen to move workers into the community centers.[192] Instead, contractual arrangements between FCHS and ADAM H require that human service case managers refer clients to services outside the Opportunity Center for follow-up assessments with ADAM H.[193] Interagency cooperation agreements with the Child Support Enforcement Agency and Children's Services are included in the partnership agreement with the state.[194]

County case managers are being trained in Total Case Management (TCM).[195] TCM provides each customer with a single contact person who will provide in depth case management, mentoring, and other supportive services to help individuals maximize self-sufficiency.[196] Caseworkers are trained in all of

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K. Weeks, Community Planning Director in Columbus, Ohio (Dec. 16, 1997) [hereinafter Interviews with Franklin County Officials].

185 *See id.*

186 *See id.*

187 *See id.*

188 *See* Ohio Dep't of Human Servs. & Franklin County Bd. of County Comm'rs., *Partnership Agreement* (visited Nov. 21, 1999) <http://www.ohio.gov/odhs/owf/partagre/franklin/Franklin072799.pdf7>.

189 *See* Interviews with Franklin County Officials, *supra* note 184.

190 *See id.*

191 *See id.*

192 *See id.*

193 *See id.*

194 *See id.*; *see also* Ohio Dep't of Human Servs., <http://www.ohio.gov/odhs/owf/partagre/franklin/index.htm> (visited Dec. 6, 1999) (listing partnership agreements for all counties with signed contracts).

195 *See* Interviews with Franklin County Officials, *supra* note 184.

196 *See id.*

the services offered by FCHS in order to help the client organize a self-sufficiency contract for the TANF participant.[197]

While the old model was mainly focused on eligibility determination, the new model depends upon breaking barriers to workforce participation which may include arrangements for employment, associated child care needs, and referrals to child support, child welfare services, and substance abuse or mental health assessments.[198] The success of this structure depends critically on cooperation among a wide range of separately constituted human service agencies in Franklin County, some of which station workers in the neighborhood opportunity centers to expedite referrals, while others do not.[199] The other factor critical to the success of this plan is that the training offered be sufficient to allow case workers to learn a number of new components of the job and feel comfortable enough to provide well-grounded information to their clients.[200]

In terms of staffing, each Center is to have six case management units consisting of a supervisor, a clerk, and seven case managers.[201] Each unit is scheduled to receive twenty-five days of training.[202] This training will include training in the case management method as well as training in specific program areas, such as children services, alcohol and drug abuse, child support, and other programs.[203] The goal of TCM is to get caseworkers to think not just about eligibility in specialized areas, but about the client's overall needs and any potential barriers that may exist which limit a client's ability to become self-sufficient.[204] Caseworkers and unit supervisors are also expected to be familiar with community resources and refer clients to external sources of support when appropriate.[205] The more comprehensive assessment has increased the amount of time that it takes to develop the self-sufficiency contract from 1.5 to 3 hours, and case loads per case worker are estimated at 250–300 rather than the optimal case level of 125.[206]

Franklin County officials feel that the PRCP provides counties with a new dimension in the provision of human services by creating programs to keep

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[197] Prior to TCM, caseworkers were experienced in one area of service and clients were shuttled among several caseworkers. Case specialists would not always be aware of the assistance provided to clients from areas outside their own specialty. Under the changes, caseworkers are trained in several areas of service and clients are assigned to a single caseworker. *See* Interviews with Franklin County Officials, *supra* note 184.

[198] *See* Interviews with Franklin County Officers, *supra* note 184.

[199] *See id.*

[200] *See id.*

[201] *See id.*

[202] *See id.*

[203] *See id.*

[204] *See id.*

[205] *See id.*

[206] *See id.*

clients from entering the welfare system.[207] Franklin followed a model that was provided by ODHS as they developed the PRCP. They established 150% of the federal poverty guidelines as the maximum income level that could be assisted through the PRCP and an annual limit of $500 in PRCP assistance.[208]

2. Hamilton County Department of Human Services

Hamilton County Department of Human Services (CDHS) is a triple-combined agency; in other words, the offices of Child Welfare, Income Maintenance, and Child Support Enforcement are in one agency.[209] The Hamilton Job Training Partnership Act Program and the County Department of Tuberculosis Control are also administered by the CDHS. Few counties in the state have chosen to combine all three of these agencies into one large county human service structure, and of the three largest counties in the state (Franklin, Cuyahoga, and Hamilton), Hamilton is the only county which has this structure. Staff members interviewed about the structure were unanimous in their belief that unified management makes coordination easier under the reorganized state human services program.

Hamilton was ready[210] to respond to the state invitation to participate in the first welfare partnership agreements.[211] Like Franklin County, Hamilton had established a planning committee long before the state legislation was enacted.[212] In Hamilton County, the network that was created prior to the legislation was more involved in the design and development of the comprehensive program.[213]

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207 *See id.*

208 *See id.*

209 *See* THE OHIO ALMANAC 445–46 (Damaine Vonada ed., 1992). Hamilton County is located in the southwest corner of the state and borders both Kentucky and Indiana. *Id.* Its largest city is Cincinnati, and its population of .87 million ranks it 3rd in the state. *Id.*

210 *See* Interviews with Lora Jollis, Assistant Director of Consumer Services, Hamilton County Department of Human Services in Cincinnati, Ohio (December 7,1997); Charles Ashmore, Assistant Director, Policy and Development, Hamilton County Department of Human Services in Cincinnati, Ohio (December 7,1997); Barbara Manuel, Assistant Director, Children's Services, Hamilton County Department of Human Services in Cincinnati, Ohio (December 7,1997) [hereinafter Interviews with Hamilton County officials].

211 *See* Ohio Dep't of Human Servs. & Hamilton County Bd. of County Comm'rs, *Partnership Agreement* (visited Nov. 21, 1999) <http://www.ohio.gov/odhs/owf/partagre/hamilton/index.htm> (containing Hamilton County's partnership agreement).

212 *See id.*; *see also* Ohio Dep't of Human Servs. & Hamilton County Bd. of County Comm'rs, *Partnership Agreement* (visited Nov. 21, 1999) <http:www.ohio.gov/odhs/owf/partagre/hamilton/hamilton1.htm#2>. Hamilton County signed its partnership agreement with the state on January 1, 1998. *Id.*

213 The fact that the agency is triple-combined may be a factor in the strong community group that was established.

The county changed its approach to service delivery from one in which individual caseworkers in separate units evaluated clients for benefits to a team approach for service delivery to family units.[214] Caseworkers are cross trained, but they retain their areas of specialization. These teams are called Integrated Strategic Business Units (ISBU) and provide one-stop shopping for the client.[215] Each ISBU contains a team leader, a technical service advisor, a secretary, a clerical position, and representatives from OWF, Child Support Enforcement, Children's Services, and a day care coordinator.[216] These units will be organized around zip codes with a goal of four to seven neighborhood units, one intake unit, and one unit to assist the elderly and disabled adult population.[217] Most of the units will be housed in the central location in downtown Cincinnati. However, there is a plan to have one satellite office that will house one or two ISBUs.[218]

Hamilton County has taken a very different approach to its PRCP.[219] It calls its PRCP Family Boost, and the county relies heavily upon community providers with whom the county has contracted to provide services to its clients.[220] The county can assist when clients need limited funds in an emergency situation; but when the family crisis is more complex, the county contracts with a community consortium of social service agencies, to provide resources to keep the family off welfare for three months.[221] These providers are selected from active community service agencies and community groups which have worked with CDHS. If the assistance group (family unit) qualifies for assistance through PRCP and the assistance is delivered by a community service provider, the service provider will negotiate an additional in depth Personal Responsibility Agreement with the participant.[222] The local assistance provider can terminate the PRCP services if the participant fails to abide by the negotiated agreement.[223]

Hamilton County limits the PRCP recipient to $400 in retention assistance and $250 in contingency assistance; however, additional assistance can be given if the local community service provider determines the need to be greater and can help subsidize the assistance.[224] This service is available only to families with incomes below 150% of poverty and liquid assets. Hamilton feels that it can

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214 *See id.*
215 *See id.*
216 *See id.*
217 *See id.*
218 *See id.*
219 *See id.*
220 *See id.*
221 *See id.*
222 *See id.*
223 *See id.*
224 *See id.*

leverage additional assistance and involve community providers early through its Family Boost program.[225]

B. *Lessons from These Examples*

These brief descriptions of two urban counties in Ohio illustrate that even in counties that are quite similar demographically, politically, and economically, there is still substantial variation in the design of local TANF programs.

Franklin County has a fragmented system of welfare programs with separate management and county boards for each of the primary programs. Franklin's community-based centers are a way to help FCHS incorporate the separate delivery entities into one location for human service clientele. Internally, the county human service restructuring plan depends on a case management system where one case manager is cross trained in several programs in order to expedite referrals to other parts of the system.

Hamilton County adopted a quite different approach, one based on teams organized to work with family units and to integrate a full array of services according to the specific needs of each case. Hamilton County's PRCP is more decentralized than that of Franklin County, which is primarily managed internally. In Hamilton County, once a client is screened in the intake unit, an initial determination is made regarding the nature of assistance needed. Although the client can be served by the county agency, the system is designed to immediately refer the client to a private organization.

V. DEVOLUTION CUBED

The welfare story in Ohio does not stop with counties. Counties and the state are involved in contracting welfare services to nongovernmental and community-based organizations. This trend toward privatization of public services is not unique in Ohio or to welfare programs.[226] In Ohio, counties following a more decentralized model are being cited as exemplary programs. The inclusion of the community plan in the county partnership agreements lays the groundwork for incorporation of community groups into welfare service delivery.

At the state level, pilot projects from the state to local neighborhood and faith-based community organizations have been funded by ODHS at a cost of

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225 *See id.*

226 *See generally* Child Welfare League of America, (visited Aug. 17, 1999) <http://www.cwla.org>. In a telephone survey of state welfare administrators, the Child Welfare League of America found that nearly all states were undergoing some type of reform in child protection and child welfare services. Eighty-two percent of the states were considering, or had adopted, managed care or privatization principles, practices, or techniques. *See* Telephone Interview with Dr. Pat Curtis, Director of Research, Child Welfare League of America (Dec. 1997).

$7.7 million.[227] These projects target the hard-to-serve participants or provide demonstrations of innovative approaches for moving TANF-eligible populations into the workplace.

Examples of projects that have been highlighted are EXODUS, Cleveland Urban League, and Greenbriar Community Enrichment Center.[228] EXODUS is a faith-based and employment program in Cincinnati that offers a holistic job readiness program which helps the OWF participants to prepare for every facet of job preparation.[229]

Classes are offered on vocational assessments, budgeting, housekeeping, and family participation.[230] Family members from participating congregations who have been through extensive training are paired with OWF families for one year to provide support services for OWF families.[231] A statewide conference on welfare reform and faith-based communities was co-sponsored by ODHS and EXODUS in July 1998 to provide faith-based organizations with ideas on how to partner with the CDHS in areas of job retention and job readiness and to encourage surrogate support systems for OWF families.[232]

In another project supported by the state, the Cleveland Urban League established a job readiness program in the Carl B. Stokes Social Services Mall.[233] The mall is located in a housing development where more than half of the residents are OWF participants.[234] The Urban League has partnered with several major employers for job training, apprenticeships, and employment opportunities for OWF participants enrolled in the program.[235]

Greenbriar Community Enrichment Center is a community-based organization in Columbus. Greenbriar has established a grassroots training program that includes job readiness, job placement, and motivation components that target OWF participants.[236] Additional components of the program focus on child care and prevention of domestic violence.[237]

The state will continue to emphasize partnerships, but in the future these contracts will be developed in conjunction with the county departments of human service and county commissioners.[238] In July 1998, ODHS earmarked five

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[227] *See* Interviews with Thompkins, *supra* note 87.

[228] *See* Progress report, *supra* note 150, at 25.

[229] *See id.*

[230] *See id.*

[231] *See id.*

[232] *See id.*

[233] *See id.*

[234] *See id.*

[235] *See id.*

[236] *See id.*

[237] *See id.*

[238] *See* Interviews with Thompkins, *supra* note 184.

million dollars for involving community-based organizations (CBO) in welfare reform. The Request for Proposal (RFP) required that the CBO work in conjunction with the CDHS. Over two hundred organizations applied for funding and forty-four grants were awarded.[239] The money for projects is sent to the county agency which then contracts with the local provider to fulfil the provisions of the proposal.[240] The state appears to be making a concerted effort to get away from direct state contracting.

The challenge for the state and the counties is to insure that taxpayer dollars for services are spent wisely. Protocols will need to be developed to set up appropriate performance measures and outcome accountability. The state needs to make sure that the neediest, and thus the most difficult, populations to serve are not ignored while easier clients are provided service.

VI. CONCLUSION

When President Clinton signed the welfare reform bill in 1996, he said that welfare reform was only a beginning. As Washington anticipated, welfare reform would change with experience. In Ohio, as in other states, there is the anticipation that experience will lead to changes in program design and service delivery. It is truly a work in progress. Experience under H.B. 408 will undoubtedly lead to additional modifications and refinement in Ohio. The ability and willingness of counties and local human service agencies to adapt to the latest changes will determine the success and failure of reform.

For Ohio's low-income children, the decentralized nature of the state's welfare system means that they may receive different services and have different support systems depending upon the county in which their parent or parents reside. Although the state has developed programs to address the needs of children, the service delivery can be quite fragmented due to the decentralized nature of the welfare system in the state.

The counties used as examples in this Paper are among the most economically advantaged in the state. Other counties, particularly those in rural areas and areas of high unemployment, are not as excited about the devolution from the state to the county organizations. In January 1999, the unemployment figures ranged from 13.2% of the population in Morgan County to 2.4% unemployment in Delaware County.[241] Poverty figures show similar variation among counties. In Ohio, as of 1996, 11.8% of the overall population lives in

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[239] *See* Progress report, *supra* note 150, at 25.

[240] *See id.*

[241] *See* OHIO BUREAU OF EMPLOYMENT SERVS. LABOR MKT. INFO. DIV., LABOR FORCE ESTIMATES (1999), *available in* <http://www.obes.org/emp_stats/Jun99corts.htm> (last modified Aug. 17, 1999).

poverty.[242] The numbers range from 4.5% in Delaware County[243] to 20.1% in Athens County.[244] With these variations in poverty, it is easy to predict that the services available to the poorest in the state will vary. In each county the poverty rate of children under eighteen exceeds the overall population average.

Ohio has tried to develop programs to meet the needs of the state's most vulnerable children, but the complicated nature of the programs to assist them and the differences between the counties will make service to the neediest of the needy a policy challenge. The future of Ohio's children is riding on the way the state's policymakers rise to this challenge.

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242 *See* JOSEPH DALAKER, U.S. CENSUS BUREAU, CURRENT POPULATION REPORTS, SERIES P.60-207, POVERTY IN THE UNITED STATES 1998, at xi (1999) *available in* <http://www.census.gov:80/hhes/poverty/poverty98/pv98state.html> (last modified Sept. 30, 1999).

243 *See* U.S. Census Bureau, *Model-Based Income and Poverty Estimates for Athens County, Ohio in 1995* (last modified Feb. 15, 1999) <http://www.census.gov/hhes/www/saipe/estimate/cty/cty39009.htm>.

244 *See* U.S. Census Bureau, *Model-Based Income and Poverty Estimates for Delaware County, Ohio in 1995* (last modified Feb. 15, 1999) <http://www.census.gov/hhes/www/saipe/estimate/cty/cty39041.htm>.